Calendar No. 732

97TH CONGRESS
2d Session

SENATE

REPORT
No. 97-514

SOUTH DAKOTA WATER RESOURCE DEVELOPMENT

AUGUST 2 (legislative day, JULY 12), 1982.—Ordered to be printed

Mr. MCCLURE, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany H.R. 4347]

The Committee on Energy and Natural Resources, to which was referred the act (H.R. 4347) to authorize the Secretary of the Interior to proceed with development of the WEB pipeline, to provide for the study of South Dakota water proects to be developed in lieu of the Oahe and Pollock-Herreid irrigation projects, and to make available Missouri basin pumping power to projects authorized by the Flood Control Act of 1944 to receive such power, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the act as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That the WEB Rural Water Development Project, authorized by section 9 of the Rural Development Policy Act of 1980 (94 Stat. 1175), is reauthorized subject to the provisions of section 9 of that Act, as amended by section 2 of this Act. The Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to proceed with the development of the WEB Rural Water Development Project, consistent with the terms and conditions of section 9(e) of that Act, as amended by section 2 of this Act, and to make available for immediate obligation any funds appropriated for such project for fiscal year 1981.

SEC. 2. Section 9 of the Rural Development Policy Act of 1980 is amended by—

(a) striking out in subsection (b) all after "the types of construction involved herein" and inserting a period in lieu thereof;

(b) striking out the first sentence of subsection (d); and

(c) striking out the first sentence of subsection (e) and inserting in lieu thereof the following: "The Secretary of the Interior shall use funds appropriated under this Act to provide financial assistance to plan and develop the WEB Rural Water Development Project under the terms and conditions of the Consolidated Farm and Rural Development Act and the rules and regulations promulgated by the Department of Agriculture under that Act, except to the extent such Act or rules or regulations promulgated thereunder are inconsistent with the provisions of this section.".

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SEC. 3. (a) The Secretary is authorized, in cooperation with the State of South Dakota, to conduct feasibility investigations of the following proposed water resource developments:

(1) alternate uses of facilities constructed for use in conjunction with the Oahe unit, initial stage, James division, Pick-Sloan Missouri basin program, South Dakota;

(2) future uses in South Dakota of water delivered by the Garrison unit, Pick-Sloan Missouri basin program, North Dakota; and

(3) a reformulated plan for the development of the Pollock-Herreid unit, South Dakota pumping division, Pick-Sloan Missouri basin program, South Dakota, including irrigation of alternative lands or reduced acreages.

(b) The Secretary shall report to Congress the findings of the studies authorized by this section along with his recommendations.

(c) The Secretary may contract with the State to carry out the studies authorized by this section.

SEC. 4. (a) The Secretary is authorized to cancel the master contract and participating and security contracts for the Oahe unit, initial Stage: *Provided*, That such actions shall be done with the agreement of the Oahe Conservancy Subdistrict and the Spink and West Brown irrigation districts: *Providing further*, That any repayment obligation existing at the time of cancellation of the master and participating and security contracts shall thereafter be treated as a deferred cost of the Pick-Sloan Missouri basin program: *Provided, however*, That such costs shall be assumed and repaid by the beneficiaries of any future project which utilizes the Oahe unit facilities. Such repayment obligation and manner of repayment shall be determined pursuant to the Act of June 17, 1902, and Acts supplementary thereto and amendatory thereof (43 U.S.C. 371).

(b) Those features of the authorized plan of development for the Oahe unit, initial stage, which were designed for and could be used only to deliver irrigation water to the Spink and West Brown irrigation districts namely; Faulkton, Cresbard, West Main, Redfield, James, and East canals; Cresbard and Byron dams and reservoirs; James and Byron pumping plants; and associated features; shall not be constructed by the Secretary without further action by the Congress, but nothing in this Act shall be deemed to limit the authority of the Secretary to recommend development of other features, based upon any study authorized by section 3(a)(1) of this Act.

SEC. 5. The Secretary of the Interior, in cooperation with the Department of Energy, is authorized to make available the Pick-Sloan Missouri Basin program pumping power to the Crow Creek, Cheyenne River, and Standing Rock Indian reservation irrigation developments, and the Grass Rope Unit, Pick-Sloan Missouri Basin program. Such pumping power shall also be made available to such additional irrigation projects as may be subsequently authorized to receive such power by Act of Congress.

SEC. 6. There is hereby authorized to be appropriated beginning October 1, 1982, such funds as may be necessary to carry out the provisions of this Act.

PURPOSE

As ordered reported, H.R. 4347 would reauthorize the WEB rural water supply pipeline in South Dakota, provide for studies of potential water resource developments in South Dakota, provide authority for the cancellation of certain contracts related to the Oahe Irrigation project and prohibit construction of certain project features related thereto, authorize the use of Pick-Sloan Missouri Basin program pumping power for specific Indian reservation irrigation developments, and reauthorize the appropriation of $68,100,000 (based on January 1, 1980 prices) for construction of the WEB pipeline.

BACKGROUND AND NEED

A comprehensive program for the development of the water resources of the Missouri River Basin was authorized by section 9 of the Act of December 22, 1944 (58 Stat. 887). The Act authorized the then War Department and the Secretary of the Interior to undertake a

massive program based upon water resource development plans set forth during the 78th Congress in House Document 191 (the Bureau of Reclamation's proposal) as revised and coordinated in Senate Document 247. The reconciliation of the two plans became known as the Pick-Sloan Missouri Basin Program and called for construction by the Corps of Engineers of a series of main stem dams on the Missouri River in Nebraska, South Dakota, North Dakota, and Montana and irrigation of over 5 million acres to be served by Bureau of Reclamation facilities. Major project purposes included flood control, navigation, irrigation and municipal and industrial water supply, and electric power generation.

Under the Pick-Sloan program, South Dakota was to be the site of four main stem dams along the Missouri: Gavins Point, Fort Randall, Big Bend, and Oahe. Identified for irrigation development were 972,000 acres of irrigable land. The main stem dams have been built at the expense of the flooding of over 530,000 acres of lands in South Dakota; much of which were fertile bottom lands along the Missouri River. However, the irrigation developments as authorized for South Dakota under the Pick-Sloan plan have not come to fruition. The strong support which South Dakota had given to the Pick-Sloan plan resulted, in effect, in benefits accruing to downstream states with virtually none accruing to the State which had made the greatest sacrifice.

The major irrigation project in the Pick-Sloan Program for the State of South Dakota was the 750,000 acre Oahe project which was to receive waters pumped from the Oahe Reservoir. The initial stage of the Oahe Unit was authorized in 1968 (Public Law 90–453) and was to provide full and supplemental water supplies to 190,000 acres. Construction began in 1974, but after a Federal investment of over $40 million, work ceased in 1977 because of controversy surrounding the project. Since then, the Bureau of Reclamation has assumed a "care-taker" role for those facilities already constructed.

In 1980, as a part of a program to develop water resources in South Dakota as an alternate to the Oahe Unit, the Congress authorized construction of the WEB Rural Water Development Project. The project would bring water to approximately 30,000 people and 50 rural communities for municipal and domestic use. Present water supplies in much of the area to be served are inadequate both as to firm supply and quality.

At the request of the previous Administration, the 1980 authorization for the WEB project was made contingent upon the deauthorization of the Oahe Unit no later than September 31, 1981. Legislation deauthorizing the project in its entirety would leave in question the facilities already constructed at a cost of almost $40 million. H.R. 4347 would reauthorize the WEB pipeline and provide for studies to be made by the Secretary of the Interior of alternate uses for these facilities and also for studies to be made by the Secretary of other water resource development projects in South Dakota.

Congressional action is also needed to cancel the master contracts executed by the Oahe Conservancy Sub-district which place a liability upon the Sub-district for the repayment of construction costs of the project, even though water has not been and will not be delivered to the lands in the Sub-district.

The money already expended by the Federal Government on features of the project will, if H.R. 4347 is enacted, become an obligation of any future irrigation projects which might use those facilities.

Legislative History

H.R. 4347 was introduced on June 30, 1981 and was referred jointly to the House Committees on Agriculture and Interior and Insular Affairs. The measure was subsequently reported by both Committees on May 17, 1982, and passed the House on June 8, 1982 (House Report 97–524, parts 1 and 2).

In the Senate, a companion measure, S. 1553, was introduced on July 30, 1981 by Senators Abdnor and Pressler. A field hearing was held before the Subcommittee on Water and Power of the Senate Committee on Energy and Natural Resources in Pierre, South Dakota, on September 12, 1981. A Washington, D.C. hearing was held before the Subcommittee on February 12, 1982, at which time the Administration endorsed passage of the measure with amendments.

On July 27, 1982, the Committee considered and recommended an amendment to S. 1553. Subsequently the Committee ordered reported H.R. 4347 after substituting the text of S. 1553 as amended.

Committee Recommendation and Tabulation of Votes

The Senate Committee on Energy and Natural Resources, in open business session on July 27, 1982, by unanimous vote of a quorum present recommends that the Senate pass H.R. 4347 if amended as described herein.

The rollcall vote on reporting the measure was 19 yeas, 0 nays as follows:

YEAS	NAYS
Mr. McClure	
Mr. Hatfield	
Mr. Weicker [1]	
Mr. Domenici	
Mr. Wallop	
Mr. Warner	
Mr. Humphrey	
Mr. Murkowski	
Mr. Nickles	
Mr. East	
Mr. Heinz	
Mr. Jackson	
Mr. Johnston	
Mr. Bumpers	
Mr. Ford	
Mr. Metzenbaum	
Mr. Matsunaga [1]	
Mr. Melcher	
Mr. Bradley	

[1] Indicates voted by proxy.

Committee Amendment

The Committee substituted a new text for H.R. 4347.

Sections 1 and 2 of the bill as reported are virtually identical to the original text.

Section 3 was changed to provide specific authorizations for identified feasibility level investigations. This is in keeping with long standing Congressional policy that feasibility studies be clearly identified in legislation and are not to be undertaken at the discretion of the Secretary. Reference in the section to lands inundated in South Dakota was deleted with the understanding that the history of main stem reservoir development in South Dakota would be fully covered in the Committee report on the bill.

Section 4 is identical to the original text with the exception of the deletion of reference to funds accumulated by the Oahe Conservancy Sub-district. It was felt that this is a matter which would be best settled between the Sub-district and project participants as to disposition of funds accumulated under the master contract.

Section 5 was amended to specifically identify those irrigation developments eligible to receive Missouri Basin Program pumping power. It should be noted that reference is made to the potential for additional projects to be identified by the Congress for receipt of such power.

Section 6 was amended to provide for an authorization for the appropriation of funds as may be necessary to carry out the provisions of this Act.

Section-by-Section Analysis

Section 1 reauthorized the WEB Rural Water Development project authorized by section 9 of the Rural Development Policy Act of 1980 (Public Law 96–355; 94 Stat. 1175, 1176), as amended by section 2 of this Act, and authorizes the Secretary of the Interior to proceed with the development of the WEB Rural Water Development project and make immediately available any funds heretofore previously appropriated.

It should be noted that the sum of $1,900,000 was appropriated to the Department of the Interior on December 12, 1980, by the Department of the Interior and Related Agencies Appropriations Act, fiscal year 1981 (94 Stat. 2970), for initial planning and construction for the WEB Rural Water Development project, and that on June 5, 1981, the Supplemental Appropriations and Rescission Act of 1981 (95 Stat. 46), deferred obligation of said funds until the conditions of section 9(b) of the Rural Development Policy Act of 1980 (Public Law 96–355), regarding deauthorization of the Oahe unit, had been met. H.R. 4347, as amended, meets those conditions.

As provided in section 9(e) of the Rural Development Policy Act of 1980, such funds shall be made available in a combination of grants and loans that will provide grants for not less than 75 per centum of eligible development costs and such loans as may be necessary to plan and construct the WEB Rural Water Development project.

Section 2 amends certain provisions of section 9 of the Rural Development Policy Act of 1980 (Public Law 96–355, 94 Stat. 1175, 1176) as follows:

(1) Striking out in subsection (b) the provisos that conditioned the authorization of appropriations for the WEB Project upon enactment, by September 30, 1981, of legislation deauthorizing the Oahe unit, initially authorized by the act of August 3, 1968 (Public Law 90–435; 82 Stat. 624).

(2) Striking out the first sentence of subsection (d) which required the transfer of funds for the WEB rural water development project from the Secretary of the Interior to the Secretary of Agriculture; and

(3) Rewording the first sentence of subsection (e) to substitute the Secretary of the Interior for the Secretary of Agriculture.

Section 3 is self-explanatory.

Section 4 is self-explanatory.

Section 5 is self-explanatory.

Section 6 is self-explanatory.

Cost and Budgetary Considerations

The following estimate of costs of this measure has been provided by the Congressional Budget Office:

U.S. Congress,
Congressional Budget Office,
Washington, D.C., July 30, 1982.

Hon. James A. McClure,
Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 4347, a bill to authorize the Secretary of the Interior to proceed with development of the WEB pipeline, to provide for the study of South Dakota water projects to be developed in lieu of the Oahe and Pollock-Herreid irrigation projects, and to make available Missouri basin pumping power to projects authorized by the Flood Control Act of 1944 to receive such power.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

Alice M. Rivlin, *Director.*

Congressional Budget Office—Cost Estimate

1. Bill number: H.R. 4347.

2. Bill title: A bill to authorize the Secretary of the Interior to proceed with development of the WEB pipeline, to provide for the study of South Dakota water projects to be developed in lieu of the Oahe and Pollock-Herreid irrigation projects, and to make available Missouri basin pumping power to projects authorized by the Flood Control Act of 1944 to receive such power.

3. Bill status: As ordered reported by the Senate Committee on Energy and Natural Resources, July 27, 1982.

4. Bill purpose: This bill reauthorizes the appropriation of funds for the WEB Rural Water Development Project and stipulates that

the Secretary of the Interior shall provide assistance under the terms and conditions of the Consolidated Farm and Rural Development Act. The bill also authorizes the Secretary of the Interior to conduct a number of studies in cooperation with the State of South Dakota and to cancel contracts for the Oahe Unit. In addition, the Secretary of the Interior is authorized to make available Missouri River Basin program pumping power to a number of specified irrigation projects constructed by Indian tribes.

5. Cost estimate:

[By fiscal years, in millions of dollars]

	1983	1984	1985	1986	1987
Estimated authorization level	101.7				
Estimated outlays:					
On-budget	2.3	9.8	20.7	24.5	13.6
Off-budget	.7	3.3	7.4	8.9	5.1
Total outlays	3.0	13.1	28.1	33.4	18.7

For many government activities, the costs and budget outlays are identical. (This applies to the grants, planning, and study activities authorized in this bill.) However, for loan programs, the costs differ from outlays. Approximately $25.4 million or 25 percent of the $101.6 million estimated to be authorized for construction for this project is assumed to be in the form of loans made under the policies and procedures established by the Consolidated Farm and Rural Development Act. For the purpose of this estimate loans are assumed to be made at an interest rate comparable to municipal borrowing rates for 40 years. The cost of the loans includes the net cost of all interest subsidies as they accrue and any unrecovered defaults. These are summarized separately below, for the first 4 years of the assumed loan term of 40 years.

[By fiscal years, in millions of dollars]

	1983	1984	1985	1986	1987
Grants, planning, and studies	2.3	9.8	21.1	25.6	15.3
Loans	------	------	------	.2	.3
Total estimated costs	2.3	9.8	21.1	25.8	15.6

The costs of this bill fall within budget function 300.

6. Basis of estimate: For the purpose of this estimate, it is assumed that the full amount authorized will be appropriated as necessary.

This bill amends the Rural Development Policy Act of 1980 (Public Law 96–355) to reauthorize the appropriation of funds for the planning, design and construction of the WEB Rural Water Development Project. The authorization of appropriations for this project expired on September 30, 1981, because the authorization was contingent on the deauthorization of the Oahe Unit by that date. H.R. 4347 removes that provision from the 1980 Act. The original legislation also required the transfer of funds from the Department of the Interior (DOI) to the Department of Agriculture (USDA). This bill removes that

requirement but stipulates that all financial assistance provided by the Secretary of the Interior shall be made available according to the rules and regulations promulgated by USDA under the conditions of the Consolidated Farm and Rural Development Act.

This bill authorizes the appropriation of $68.1 million (in January 1, 1980 dollars, adjusted to reflect ordinary fluctuations in construction costs) for the planning and construction of the WEB Rural Water Development Project. Based on the Bureau of Reclamation's projected construction schedule and CBO's projected construction cost increases, it is estimated that the total cost of the project would be about $101.6 million, assuming that construction would begin in fiscal year 1983. Outlays are estimated to be $2.2 million in fiscal year 1983, $9.9 million in fiscal year 1984, $22.1 million in fiscal year 1985, $26.6 million in fiscal year 1986, and $15.3 million in fiscal year 1987, for grants made in connection with the WEB project. However, it is expected that these outlays will be reduced by $1.0 million annually in fiscal years 1983 through 1986 by contributions from the WEB Pipeline Development Association of South Dakota. In addition, loans totaling $25.4 million are assumed to be made and resold to the Federal Financing Bank according to procedures used by the Farmers Home Administration for similar loans made under authority of the Consolidated Farm and Rural Development Act. The only estimated cost of these loans is the result of the interest subsidy for such loans, because it is expected that the principal will be repaid.

The first section of this bill also makes available for obligation $1.9 million appropriated in fiscal year 1981 (in Public Law 96–514), but later deferred (in Public Law 97–12). It is expected that all of these funds will be spent in fiscal year 1983.

The third section of the bill authorizes the Secretary of the Interior to conduct a number of studies in cooperation with the State of South Dakota. Based on information from the Bureau of Reclamation it is estimated that costs incurred by the federal government for these studies will be approximately $1 million in each of fiscal years 1983 and 1984.

Section 4 of H.R. 4347 authorizes the Secretary of the Interior to cancel contracts for the Oahe Unit and section 5 of the bill authorizes the Secretary of the Department of Energy to make available Missouri River Basin program pumping power to new irrigation projects constructed by certain Indian tribes. No significant budget impact is expected as a result of these provisions.

7. Estimate comparison: None.

8. Previous CBO estimate: On July 7, 1982, a CBO cost estimate was prepared for H.R. 4347, as ordered reported by the House Committee on Agriculture. This cost estimate reflects new information from the Bureau of Reclamation, including a construction schedule that would extend through 1987, rather than 1985 as assumed in the previous estimate. As a result, the total estimated cost of the WEB pipeline in this estimate is about $20 million above those in the previous estimate.

9. Estimate prepared by: Debbie Goldberg and Linwood Lloyd.

10. Estimate approved by:

C. G. Nuckols
(for James L. Blum,
Assistant Director for Budget Analysis.

Regulatory Impact Evaluation

In compliance with paragraph 11(b) of Rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred by the passage of H.R. 4347.

It is the Committee's expressed opinion that the bill is not a regulatory measure in the sense of imposing Government established standards or significant responsibilities on private individuals or businesses and that little, if any, additional paperwork would result from enactment of H.R. 4347 other than that which would normally be associated with similar Federal construction projects or study programs.

Executive Communications

The pertinent legislative report received by the Committee from the Department of the Interior setting forth Executive agency recommendations relating to S. 1553 is set forth below:

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

MAY 17 1982

Honorable James A. McClure
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

This responds to your request for the views of this Department with respect to S. 1553, a bill "To authorize the Secretary of the Interior to proceed with development of the WEB pipeline, to provide for the study of South Dakota water projects to be developed in lieu of the Oahe and Pollock-Herreid irrigation projects, and to make available Missouri basin pumping power to projects authorized by the Flood Control Act of 1944 to receive such power."

This Department is supportive of the intent and philosophy of S. 1553. However, as Commissioner Broadbent testified on February 12, 1982, Departmental support for enactment of S. 1553 is contingent on several modifications to the bill, which we have detailed in the enclosed copy of S. 1553.

Passage of S. 1553 with our proposed amendments would: (1) remove the Oahe Unit deauthorization proviso from the WEB Pipeline Project; (2) provide grants of 75 percent of the WEB Pipeline Project under Farmers Home Administration guidelines; (3) make Interior the WEB Pipeline Project implementing agency; (4) provide study authority for only the alternate uses of Oahe Unit facilities, water deliveries via the Garrison Diversion Unit, and modifications of the Pollock-Herreid Unit; (5) memorialize the Federal Government's commitment to compensate South Dakota for lands inundated by Pick-Sloan Missouri Basin Program Missouri River reservoirs; (6) allow contracting with the State for portions of the studies; (7) allow for cancellation of Oahe Unit contracts; (8) make 2½ mil per kilowatt hour power available to the Grass Rope Unit; and (9) require a Secretarial finding of economic and financial feasibility and compliance with environmental law and Congressional consideration before the 2½ mil per kilowatt hour power is made available to other projects.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

Garry E. Carruthers

ASSISTANT SECRETARY

Enclosure

With amendments proposed by the Department of the Interior

II

97TH CONGRESS
1ST SESSION

S. 1553

To authorize the Secretary of the Interior to proceed with development of the WEB pipeline, to provide for the study of South Dakota water projects to be developed in lieu of the Oahe and Pollock-Herreid irrigation projects, and to make available Missouri basin pumping power to projects authorized by the Flood Control Act of 1944 to receive such power.

IN THE SENATE OF THE UNITED STATES

JULY 30 (legislative day, JULY 8), 1981

Mr. ABDNOR (for himself and Mr. PRESSLER) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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A BILL

To authorize the Secretary of the Interior to proceed with development of the WEB pipeline, to provide for the study of South Dakota water projects to be developed in lieu of the Oahe and Pollock-Herreid irrigation projects, and to make available Missouri basin pumping power to ~~[projects authorized by the Flood Control Act of 1944 to receive such power;]~~ the Grass Rope Unit, Pick-Sloan Missouri Basin Program.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That (a) the WEB rural water development project, authorized by section 9 of Public Law 96–355, is reauthorized.

(b) The Secretary of the Interior (hereinafter referred to as the "Secretary") is directed to proceed with the development of the WEB rural water development project, consistent with the terms of section 9(e) of Public Law 96-355, and to make available for immediate obligation any funds appropriated for such project for fiscal year 1981. ~~[except that such funds shall be made available directly to the WEB Association and shall not be transferred to the Department of Agriculture.]~~

SEC. 2. (a) The Secretary is authorized, in cooperation with the State of South Dakota, to conduct a study pursuant to this Act which shall include consideration of—

(1) alternate uses of facilities constructed for use in conjunction with the Oahe unit, initial stage, James division, Pick-Sloan Missouri River basin program, South Dakota;

(2) future uses in South Dakota of water delivered by the Garrison unit, Pick-Sloan Missouri River basin program, North Dakota;

(3) a modified plan of development for the Pollock-Herreid unit, South Dakota pumping division, Pick-Sloan Missouri River basin program, South

Dakota, including alternative lands or reduced acreages[and.]

[(4) the potential for development of any other water project or projects proposed by the Governor of the State of South Dakota, in accordance with the policies and priorities of the State, which the Secretary determines may qualify for Federal construction funding under the terms of this section.]

(b) In formulating his recommendations to Congress the Secretary shall take into account the land inundated in South Dakota under the Pick-Sloan Missouri basin program and the irrigation development authorized for South Dakota by the Flood Control Act of 1944. [In determining the feasibility of projects proposed by the State under this section the Secretary shall use criteria no less favorable than those under which the Oahe unit, initial stage, was authorized, except that the Secretary may use other criteria with the consent of the State.]

(c) The Secretary shall report to Congress the findings of the studies, along with his recommendations for disposition of the Oahe unit, initial stage, for development of the Pollock-Herreid unit, and for Federal involvement in other projects proposed by the State.

(d) The Secretary may contract with the State to carry out the studies authorized by this section.

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(e) The studies performed and the reports made under this section shall be of reconnaisance, appraisal, or feasibility grade as is appropriate to determine whether further action on the development of the Secretary's recommendations is warranted.

SEC. 3. (a) The Secretary is authorized to cancel the master contract and participating and security contracts for the Oahe unit, initial stage; ~~and to release any and all funds accumulated by the Oahe conservancy subdistrict under the master contract.~~ Provided, however, That any such actions shall be done ~~after~~ with the agreement of the OAHE conservancy subdistrict and the Spink and West Brown irrigation districts; and provided further, That any and all funds accumulated by the Oahe Conservancy Subdistrict under the Master Contract shall be refunded to or otherwise expended for the benefit of the taxpayers of the subdistrict; and That any repayment obligation existing at the time of cancellation of the Master and Security Contracts shall thereafter be treated as a deferred cost of the Pick-Sloan Missouri Basin Program to be assumed by the beneficiaries of any future project which utilizes the Oahe Unit facilities for which the repayment obligation was incurred.

4 a.

(b) Those features of the authorized plan of development for the Oahe unit, initial stage, which were designed for and could be used only to deliver irrigation water to the Spink and West Brown irrigation districts, namely: Faulkton, Cresbard, West Main, Redfield, James, and East Main Canals; Cresbard and Byron Dams and Reservoirs; James and Byron Pumping Plants; and associated features; shall not be constructed by the Secretary, but nothing in this Act shall be deemed to limit the authority of the Secretary to recommend development of other features, based upon the study authorized by section 2(a)(1) of this Act.

~~[SEC. 4. The Secretary of the Interior, in cooperation with the Department of Energy, is authorized to make available the Missouri River basin program pumping power to irrigation projects constructed in South Dakota by Indian tribes or by public entities organized under State law and which have been authorized by the Flood Control Act of 1944 to receive such power. Such power shall be made available at~~

~~the request of the State of South Dakota or an Indian tribe, regardless of the source of construction funding for such irrigation projects.~~]

Section 4. The Secretary of the Interior, in cooperation with the Department of Energy, is authorized to make available the Missouri River Basin program pumping power to new irrigation projects constructed by Indian tribes or by public entities organized under State law which have been authorized by the Flood Control Act of 1944 to receive such power. Such power shall be made available to the Grass Rope Unit, Pick-Sloan Missouri Basin Program. In recognition of the legislative intent of the Pick-Sloan Missouri River Basin Program to provide project power to financially sound irrigation development, such power may also be made available at the Secretary's discretion for other such Federal or cooperative Federal/non-Federal irrigation projects, if requested by the Governor or an Indian tribe, provided that the Secretary determines the project to be economically and financially feasible and in compliance with applicable environmental laws, and submits such proposals to Congress subject to disapproval by joint resolution within 90 days.

SEC. 5. [~~There are authorized to be appropriated to carry out the provisions of this Act.~~] Effective October 1, 1981, there are authorized to be appropriated such funds as may be necessary to carry out the provisions of this Act.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, H.R. 4347, as ordered reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

RURAL DEVELOPMENT POLICY ACT OF 1980 (P.L. 96–355, 94 STAT. 1175, 1176)

* * * * * * *

WEB RURAL WATER DEVELOPMENT PROJECT

SEC. 9. (a) There are authorized to be appropriated to the Secretary of the Interior for the fiscal year ending September 30, 1981, $1,900,000, which shall be used for initial planning and construction of a rural water treatment and distribution system in portions of, but not limited to, Walworth, Edmunds, Brown, Campbell, Potter, McPherson, Faulk, Hand, Spink, and Day Counties in South Dakota that will furnish water for domestic and other purposes, hereafter referred to in this section as "the WEB Rural Water Development Project", as generally proposed by the WEB Water Development Association, Incorporated, and as described in the special report by the Association of January 1980.

(b) Effective October 1, 1981, there are authorized to be appropriated to the Secretary of the Interior for the further planning and construction of the WEB Rural Water Development Project $68,100,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in development costs incurred after January 1, 1980, as indicated by the engineering cost indices applicable to the types of construction involved herein [: *Provided*, That such authorization for appropriations shall not become effective until such time as legislation has been enacted deauthorizing the Oahe Unit, initially authorized by the Act of August 3, 1968 (Public Law 90–435; 82 Stat. 624): *Provided further*, That if such legislation has not been enacted by September 30, 1981, the authorization for appropriations provided for in this subsection shall terminate.].

(c) Any funds appropriated under this section shall remain available until expended.

(d) [Any funds appropriated under this section shall be transferred by the Secretary of the Interior to the Secretary of Agriculture when such funds are appropriated.] The Secretary of the Interior may enter into cooperative memoranda of understanding with the Secretary of Agriculture as may be required to provide services to carry out the purposes of this section.

(e) [The Secretary of Agriculture shall use any funds transferred under subsection (d) for necessary administrative expenses, and to provide financial assistance to plan and develop the WEB Rural Water Development Project under the terms and conditions of the Consolidated Farm and Rural Development Act and the rules and regulations promulgated by the Department of Agriculture under that Act, except to the extent such Act or rules or regulations promulgated thereunder are inconsistent with the provisions of this section.] *The*

Secretary of the Interior shall use funds appropriated under this Act to provide financial assistance to plan and develop the WEB Rural Water Development Project under the terms and conditions of the Consolidated Farm and Rural Development Act and the rules and regulations promulgated by the Department of Agriculture under that Act, except to the extent such Act or rules or regulations promulgated thereunder are inconsistent with the provisions of this section. Such funds shall be made available in a combination of grants and loans that will provide grants for not less than 75 per centum of eligible development costs and such loans as may be necessary to plan and construct the WEB Rural Water Development Project.

O